

| CHECKLIST ENVIRONMENTAL ASSESSMENT | |
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| Project Name: Install a buried oil pipeline on State land. | Proposed Implementation Date: Spring 2012 |
| Proponent: Oneok Partners, 2700 Lincoln Ave. SE, Sidney Montana 59270-8819 | |
| Type and Purpose of Action: Oneok Partners has made a Land Use License application to place a buried oil pipe line across State lands. The oil pipeline will be used to move oil from Williams County in North Dakota to an oil well storage area located south of Sidney Montana. The oil pipeline will be ten inch steel pipeline buried sufficiently below the soil frost line for year round use. The oil pipeline length on the State land will be 159.72 rods more or less. | |
| Location: NW4NW4, SW4NW4, Section 36 Township 27 North Range 59 East | County: Roosevelt |

| I. PROJECT DEVELOPMENT | |
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| 1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED: Provide a brief chronology of the scoping and ongoing involvement for this project. | Oneok Partners contacted the Department of Natural Resources and Conservation, Glasgow Unit Office and made a Land Use License application to place a buried 10 inch steel pipeline on State land. The surface lessee of the State land involved with this project has been contacted. There may be other agencies or groups that have involvement with this project that the writer of this document is not aware of. |
| 2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED: | Other government agencies that may have jurisdiction for this type of project are Montana Department of Natural Resources and Conservation, Oil and Gas Division, United States Department of Agriculture, Farm Service Agency, and Natural Resource and Conservation Service, Montana Department of Environmental Quality, United States Army Corp. of Engineers, Montana Fish Wildlife and Parks, and other entities that the writer of this document may not be aware of. |
| 3. ALTERNATIVES CONSIDERED: | <p>Action Alternative: Grant a Land Use License to Oneok Partners to place an oil pipeline on State land.</p> <p>No Action Alternative: Deny a Land Use License to Oneok Partners to place an oil pipeline on State land.</p> |

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| II. IMPACTS ON THE PHYSICAL ENVIRONMENT | |
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| RESOURCE | POTENTIAL IMPACTS |
| 4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE: Are fragile, compatible or unstable soils present? Are there unusual geologic features? Are there special reclamation considerations? | <p>Action Alternative: This type of project will alter the silty loam and clay soils on the State land. The top soil will be removed for the installation of the oil pipeline. The topsoil will be replaced after the pipeline installation is completed. The soils will continue to produce native vegetation on the rangeland ecological site.</p> <p>No Action Alternative: Under this alternative, there will be no impacts to the silty and clay soils on the State land.</p> |
| 5. WATER QUALITY, QUANTITY AND DISTRIBUTION: Are important surface or groundwater resources present? Is there potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality? | <p>Action Alternative: The project will move oil from areas of Williams County North Dakota to an oil well storage site south of Sidney Montana. There will be other sites along the pipeline route that will pump oil into this pipeline.</p> <p>No Action Alternative: Under this alternative, there will be no impacts to water quality, quantity or distribution.</p> |
| 6. AIR QUALITY: Will pollutants or particulate be produced? Is the project influenced by air quality regulations or zones (Class I airshed)? | <p>Action Alternative: The oil pipeline will have no impacts to the air quality on the State land.</p> <p>No Action Alternative: Under this alternative there will be no impacts to the air quality.</p> |
| 7. VEGETATION COVER, QUANTITY AND QUALITY: Will vegetative communities be permanently altered? Are any rare plants or cover types present? | <p>Action Alternative: There is native vegetation on the pipeline route. The vegetation will be destroyed on the pipeline route. The area will be reseeded to native vegetation upon pipeline installation.</p> <p>No Action Alternative: Under this alternative there will be no impacts to any type of native rangeland vegetation.</p> |

| II. IMPACTS ON THE PHYSICAL ENVIRONMENT | |
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| 8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS: Is there substantial use of the area by important wildlife, birds or fish? | <p>Action Alternative: The State land contains very minimal habitat resources for wildlife and upland birds. The Montana National Heritage Programs identified the following species of birds found in this portion of Roosevelt county, Leconte's sparrow, Nelson's sparrow, Sedge Wren and Bobolink. These are not species of concern in this area.</p> <p>No Action Alternative: Under this alternative there would be no impacts to the habitat resources associated with the State land.</p> |
| 9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES: Are any federally listed threatened or endangered species or identified habitat present? Any wetlands? Sensitive Species or Species of special concern? | <p>Action Alternative: The area of impact contains no known unique, endangered, fragile or limited environmental resources. The State land contains no wetlands or sensitive animal or plant species.</p> <p>No Action Alternative: Under this alternative there would be no impacts to the unique, endangered, fragile or limited environmental resources.</p> |
| 10. HISTORICAL AND ARCHAEOLOGICAL SITES: Are any historical, archaeological or paleontological resources present? | <p>Action Alternative: The area of impact contains no known historical or archaeological sites. Montana Department of Natural Resources and Conservation personnel found no historical or archaeological sites on or near project area. The State land will also be inspected by a private contracted archeological firm from North Dakota.</p> <p>No Action Alternative: Under this alternative there will be no impacts to the historical or archaeological sites.</p> |
| 11. AESTHETICS: Is the project on a prominent topographic feature? Will it be visible from populated or scenic areas? Will there be excessive noise or light? | <p>Action Alternative: This type of project will have no impacts to the aesthetics associated with the State land. The pipeline construction will not be visible to the general public from a county road.</p> <p>No Action Alternative: Under this alternative there will be no impacts to the aesthetics of the State land.</p> |
| 12. DEMANDS ON ENVIRONMENTAL RESOURCES | Action Alternative: This type of |

| II. IMPACTS ON THE PHYSICAL ENVIRONMENT | |
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| OF LAND, WATER, AIR OR ENERGY: Will the project use resources that are limited in the area? Are there other activities nearby that will affect the project? | <p>project will place no demands on environmental resources of land, water, air, or energy.</p> <p>No Action Alternative: Under this alternative there will be no impacts to the land, water air or energy.</p> |
| 13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA: Are there other studies, plans or projects on this tract? | <p>Action Alternative: This type of project will have no impact to other studies, plans or projects that Montana Department of Natural Resources and Conservation may have in place on the State land.</p> <p>No Action Alternative: Under this alternative there will be no impacts to the other projects that may be occurring on the State land.</p> |

| III. IMPACTS ON THE HUMAN POPULATION | |
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| RESOURCE | POTENTIAL IMPACTS AND MITIGATION MEASURES |
| 14. HUMAN HEALTH AND SAFETY: Will this project add to health and safety risks in the area? | <p>Action Alternative: The installation of a water pipelines has various human health and safety risks. The risks are understood by the employer and employee as occupational hazards. The impacts will be mitigated by the use of professional employees in the pipeline construction business.</p> <p>No Action Alternative: There would be no impacts on human health and safety under this alternative.</p> |
| 15. INDUSTRIAL, COMMERCIAL AND AGRICULTURAL ACTIVITIES AND PRODUCTION: Will the project add to or alter these activities? | <p>Action Alternative: The project will have no impact to the current activities that may be occurring on the State land. Livestock grazing activities will continue to occur in the vicinity of the pipeline project.</p> <p>No Action Alternative: There will be no impacts to the livestock grazing activities that are occurring on the State land.</p> |
| 16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT: Will the project create, move or eliminate jobs? If so, estimated number. | <p>Action Alternative: The project may create jobs for pipeline construction companies that will construct the oil pipelines.</p> |

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| | <p>No Action Alternative: There would be no impacts to the employment of the area under this alternative.</p> |
| <p>17. LOCAL AND STATE TAX BASE AND TAX REVENUES: Will the project create or eliminate tax revenue?</p> | <p>Action Alternative: The project may have impacts on the local and state tax base and tax revenues. The writer of this document is not aware of what types of taxable values can be placed on an oil pipelines.</p> <p>No Action Alternative: Under this alternative there will be no impacts to the local and state tax base.</p> |
| <p>18. DEMAND FOR GOVERNMENT SERVICES: Will substantial traffic be added to existing roads? Will other services (fire protection, police, schools, etc) be needed?</p> | <p>Action Alternative: The project will place no additional demands for government services.</p> <p>No Action Alternative: There will be no demands for government services under this alternative.</p> |
| <p>19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS: Are there State, County, City, USFS, BLM, Tribal, etc. zoning or management plans in effect?</p> | <p>Action Alternative: The project will have no impacts on environmental plans or goals. There are no other management plans on this project other than those implemented by Montana Department of Natural Resources and Conservation.</p> <p>No Action Alternative: There will be no impacts to locally adopted environmental plans or goals under this alternative.</p> |
| <p>20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES: Are wilderness or recreational areas nearby or accessed through this tract? Is there recreational potential within the tract?</p> | <p>Action Alternative: The area of impact has some recreational values for hunting, bird watching, or scenic hiking etc. The project will have no impacts on the recreational values of the surrounding lands.</p> <p>No Action Alternative: There would be no impacts to the recreational activities under this alternative.</p> |
| <p>21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING: Will the project add to the population and require additional housing?</p> | <p>Action Alternative: The project will not impact the density and distribution of population and housing.</p> <p>No Action Alternative: There would be no impacts to population and housing under this alternative.</p> |
| <p>22. SOCIAL STRUCTURES AND MORES: Is some disruption of native or</p> | <p>Action Alternative: The project will not disrupt the traditional lifestyles</p> |

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| traditional lifestyles or communities possible? | <p>of the local community. The local communities are rural agriculture orientated and current oil activity has not altered the traditional lifestyles.</p> <p>No Action Alternative: Under this alternative there will be no impacts on local communities.</p> |
| 23. CULTURAL UNIQUENESS AND DIVERSITY: Will the action cause a shift in some unique quality of the area? | <p>Action Alternative: The project will not impact the cultural uniqueness and diversity of the State land.</p> <p>No Action Alternative: There would be no impacts to the cultural uniqueness and diversity of the State land under this alternative.</p> |
| 24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES: | <p>Action Alternative: The installation of an oil pipeline may improve local economics. The local community may supply products to the company that installs the oil pipeline.</p> <p>No Action Alternative: There would be no impacts to economic circumstances of this area under this type of alternative.</p> |

EA Checklist Prepared By: /s/ Date: 2/29/12
Randy Dirkson Land Use Specialist

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| IV. FINDING | |
| 25. ALTERNATIVE SELECTED: | <p>Action Alternative Was Selected:</p> <p>Action Alternative: Grant a Land Use License to Oneok Partners to place an oil pipeline on State land.</p> |
| 26. SIGNIFICANCE OF POTENTIAL IMPACTS: | <p>The construction of an oil pipeline will have minimal impacts to the State land natural resources.</p> |
| <p>27. Need for Further Environmental Analysis:</p> <p><input type="checkbox"/> EIS <input type="checkbox"/> More Detailed EA <input checked="" type="checkbox"/> No Further Analysis</p> | |

EA Checklist Approved By: R. Hoyt Richards, Glasgow Unit Manager

| Name | Title |
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/s/ 3/2/12 Date:

Signature